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CENTRAL INTELLIGENCE AGENCY

28 January 1957

MEMORANDUM FOR: Mr. Allan Evans, (OIR)
Lt. Col. E. T. Seaburn, USA (ACSI)
Captain W. S. Howell, USN (ONI)
Colonel W. B. Sawyer, USAF (AFOIN 2B2)
Colonel C. H. Dayhuff, Jr., USA (JIG)

SUBJECT: NIE 80-57: POLITICAL STABILITY IN CENTRAL AMERICA
AND THE CARIBBEAN

1. The attached terms of reference were agreed on at the meeting of the IAC representatives on Friday, 25 January.

2. All agencies are invited to contribute to any section within their competence to do so.

3. It is requested that contributions be received in this office by the close of business on Monday, 25 February.

William P. Bundy

WILLIAM P. BUNDY
Deputy Assistant Director
National Estimates

Distribution "B"

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C E N T R A L I N T E L L I G E N C E A G E N C Y

25 January 1957

SUBJECT: TERMS OF REFERENCE: NIE 80-57: POLITICAL STABILITY IN
CENTRAL AMERICA AND THE CARIBBEAN

THE PROBLEM

To estimate probable developments in the Central American and Caribbean Republics* through 1958 with particular reference to the prospects for stability throughout the area.

NOTE

This estimate is intended to supersede NIE 80-54 of August 1954.

In addition to considering developments within and between the Central American and Caribbean Republics, some reference to the situation in Venezuela and in Mexico will be necessary to cover international alignments, exile activities, and Communism.

* Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, and Panama.

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QUESTIONS BEARING ON THE PROBLEM

I. FACTORS INFLUENCING THE GENERAL STABILITY OF THE AREA

- A. What are the general characteristics of the area from a political, economic, and social standpoint (including the role of the Church)? What basic factors make for permanent instability? Contributors should review and update where necessary the material contained in Sections II and VI of NIE 80-54.
- B. What have been developments since mid-1954 in intra-regional relationships (including ODECA)? To what extent have Central American and Caribbean regimes intervened in one another's affairs? How have Mexico and Venezuela contributed to unsettled political conditions in the area? Does the conflict between "dictatorships" and "democracies" appear to have diminished, and why? Which countries are more likely to dominate the political developments of the area over the short term?
- C. Have Central American and Caribbean exiles increased their revolutionary activities since NIE 80-54? What are the centers of revolutionary plotting, and why? What is Figueres' relationship to various exile groups? Has the Caribbean Legion been reconstituted, and if so, where, and in what form?

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D. Communism. Have Communist strength, influence, and/or capabilities increased or decreased since mid-1954? (Include particular references to Guatemala, Cuba, and Panama). Assess the degree of Communist infiltration in government, the armed forces, the educational system, and the labor movement. To what extent can the Communists exploit nationalistic tendencies and social discontent in the non-Communist population of the area? Do they lend support to exile activities? What is the extent and form of their international contacts? Has travel to the Bloc increased since mid-1954? What have been the attitudes of the various governments toward Communism?

E. Armed forces. Analyze their capabilities, and the extent and nature of their support and loyalty to their respective governments.

F. What is the extent and role of US investment in the development of the area, and what is the attitude toward this investment? Review and update material in Section VII and Annex III of NIE 80-54.

II. PROSPECTS FOR STABILITY WITHIN THE CENTRAL AMERICAN-CARIBBEAN COUNTRIES*

A. Guatemala. Has Castillo consolidated his political position? Has his government been successful in gaining the support of

* See footnote next page.

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labor, middle class elements, and landholding groups? To what extent does the military continue to back his regime? Has the Castillo government in effect moved to the right since mid-1956? If so, to what extent has it deviated from the objectives and achievements of the Revolution of 1944, and what are the implications of this with reference to its prospects for continuance in power? Which elements now represent the greatest potential threat to the regime? What is the likelihood of attempted overthrow by exile elements? Are Guatemala's claims to British Honduras likely to cause friction on the international scene?

- B. Panama. To what extent does the National Guard back the present government? Could the friction between de la Guardia and Diaz threaten the stability of the government? Has the unsolved murder of Remon contributed to continuing political tension? To what extent is de la Guardia likely to be successful in his efforts to reduce corruption in the government? Is the Canal issue likely to be used to divert popular attention from internal problems, And what are probable consequences?

* We propose the preparation of an appendix on the armed forces in the area, to include their strengths and equipment. Please update Annex II of NIE 80-54. We also propose the preparation of a map showing the location of US military facilities in the area.

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- C. Cuba. Has Batista further lost popular support since NIE 80-54? What is the extent of Batista's political and military support, and is he likely to retain this support? In the event partial and/or national elections are postponed, would Batista be able to stay in power? What are the implications of the recent

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abortive Fidel Castro-led insurrection with regard to further opposition activity? What would be the most likely type of successor government to the Batista regime?

- D. Haiti. Analyze briefly recent events in Haiti which led to Magloire's ouster. Has political tension increased since his ouster, and why? How has the deteriorating economic situation contributed to political instability, and to what extent is it likely to continue to do so? What is the present and likely future role of the army in the political process? Are national elections likely in the spring of 1957, and if so, what is the probable outcome?
- E. Nicaragua. Are the February 1957 election results likely to contribute to the pacification of the country? What are the capabilities of the civilian opposition? To what extent does the National Guard back the present regime, and under what circumstances might it split and/or withdraw its support? Is it likely Somoza will introduce more liberal policies than those of his late father? Do exile groups represent a significant threat to Somoza's continuance in power? Has Anastasio's death reduced the prospects of Nicaraguan participation in the pattern of subversion in the area?

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- F. Honduras. How do present economic problems affect the present political situation in Honduras? How much civilian support does the three-man military junta enjoy? To what extent has it succeeded in dissipating political tension in Honduras? What are the chances of the military remaining united in support of the junta and its objectives? What divisiveness exists within the junta? What is the likelihood of early elections? What are the probable consequences if they are held? If they are not held?
- G. Dominican Republic. What are the political situation and probable developments? What is the nature and extent of Trujillo's role in the current subversive pattern of the area?
- H. Costa Rica. Has Figueres maintained popular support? To what extent has he moderated his position and activities as the self-styled champion of democratic forces on the Central American-Caribbean scene? Has this lessened the likelihood of attempts to oust him by exiled opposition elements and/or other regimes? How significant is the split in the National Liberation Party with reference to opposition capabilities and the probable outcome of the 1958 presidential elections? What are the prospects for a fair and orderly election?

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- I. El Salvador. What are the political situation and probable developments? What are the capabilities of the Lemus government for remaining aloof from the subversive activities involving its neighbors?
- J. In which of the Central American-Caribbean Republics are sudden unpredictable political changes resulting from political turmoil, government seizure, and/or assassination the more likely to occur, and why?

III. INTERNATIONAL RELATIONS

A. With the US

1. Is the basic analysis contained in paras. 71-72, NIE 80-54, concerning attitudes toward and cooperation with the US, still valid?
2. What have been the principal developments since mid-1954 and what are likely trends with respect to political, (including Hemisphere defense) economic, and military cooperation/with the US?
3. What are the present policy and likely long-range intentions of Panama with regard to the Canal Zone, particularly in the light of the Suez Crisis?

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Are problems arising out of the Canal issue likely to cause serious friction between the US and Panama? between the US and the Caribbean Republics?

- B. With the Soviet Bloc. What is the nature of diplomatic and commercial ties between the Republics and the Soviet Bloc? What are probable developments?
- C. With neighboring republics. What are likely developments in relations among the Central American-Caribbean countries and neighboring republics? To what extent are Mexico and Venezuela likely to increase their influence in the area?

IV. LONGER-TERM PROSPECTS FOR THE AREA

- A. Is the outlook one of continued political instability, and why?
- B. Is it likely that in general, the forces resistant to change will maintain political power for the foreseeable future? What does this mean in terms of cooperation with the US?
- C. What is the likelihood of violent social upheaval within the area as pressures for economic and political change increase?

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V. VALIDITY STUDY OF NIE 80-54

Please attach to your contribution a brief over-all critique of NIE 80-54.

VI. POST-MORTEM

Please also attach a resume of the principal intelligence deficiencies noted during the preparation of your contribution.

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